



This document is scheduled to be published in the Federal Register on 05/09/2014 and available online at <http://federalregister.gov/a/2014-10251>, and on FDsys.gov

DEPARTMENT OF VETERANS AFFAIRS

8320-01

38 CFR Part 62

RIN 2900-AO50

Supportive Services for Veteran Families Program

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its regulations concerning the Supportive Services for Veteran Families Program (SSVF). The proposed changes would clarify, consistent with existing regulations, that grantees must focus on providing permanent housing to eligible veteran families who, without SSVF assistance, would likely become homeless. The proposed clarifications are intended to emphasize the intended goals of SSVF. The proposed rule would expand grantees' authority to provide certain services to all very low-income veteran families, and specifically to those veteran families with significantly lower economic resources, which we would identify as extremely low-income veteran families. The purpose of this expanded authority is to address identified needs based on the administration of SSVF since its inception, and to provide greater incentive to grantees to assist these particularly vulnerable veteran families. Finally, the proposed rule would clarify that certain services are not permissible uses of SSVF funds.

DATES: Comments must be received by VA on or before [Insert date 45 days after date of publication in the FEDERAL REGISTER].

ADDRESSES: Written comments may be submitted through <http://www.Regulations.gov>; by mail or hand delivery to the Director, Regulation Policy and Management (02REG), Department of Veterans Affairs, 810 Vermont Avenue, NW, Room 1068, Washington, DC 20420; or by fax to (202) 273-9026. Comments should indicate that they are submitted in response to “RIN 2900-AO50 - Supportive Services for Veteran Families Program.” Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1068, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461-4902 for an appointment. (This is not a toll-free number.) In addition, during the comment period, comments may be viewed online at www.Regulations.gov through the Federal Docket Management Systems (FDMS).

FOR FURTHER INFORMATION CONTACT: John Kuhn, National Center for Homelessness Among Veterans, Supportive Services for Veteran Families Program Office, 4100 Chester Avenue, Suite 200, Philadelphia, PA 19104, (877) 737-0111. (This is a toll-free number.)

SUPPLEMENTARY INFORMATION: On November 10, 2010, VA published a final rule promulgating 38 CFR part 62, regulations implementing 38 U.S.C. 2044 by establishing an SSVF Program. 75 FR 68979. Through this program, VA has offered grants to eligible entities, identified in the regulations, that provide supportive services to very low-income veterans and families who are at risk for becoming homeless or who, in

some cases, have recently become homeless. The program has been a tremendous success, providing services to over 62,000 participants in fiscal year (FY) 2013 (the program was projected to serve 42,000 for the entire fiscal year). To date, over 80 percent of those discharged from SSVF have been placed in or saved their permanent housing.

In order to ensure its continued success and to address minor issues that have arisen through the course of the administration of SSVF, we are proposing to revise the regulations. In particular, these revisions would establish a class of very low-income veteran families who are most in need (identified in this proposed rule as “extremely low-income veteran families”), and make other necessary refinements to the regulations. Additional clarifications are included with respect to the categories and classification of participants. These changes should ensure that those most in need receive supportive services under SSVF, and that VA aligns its terminology with that used by the U.S. Department of Housing and Urban Development (HUD) for similar programs. VA has expressed the priority to serve those most in need in its annual Notice of Funding Availability, and the proposed clarifying language will identify those priorities in the regulations.

A discussion of the proposed revisions to part 62 follows.

62.2: “Homeless” definition.

VA proposes to amend the definition of “homeless” to adopt HUD’s definition in 24 CFR 576.2. Currently, VA uses the statutory definition of “homeless” that is applicable to similar programs administered by HUD, but without the benefit of HUD’s

interpretation of this term. The authorizing statute for SSVF specifically requires VA to use the definition set forth in 42 U.S.C. 11302. 38 U.S.C. 2044(f)(3). HUD, not VA, is the primary government agency charged with interpreting and applying section 11302, and therefore adopting HUD's regulation would support a single, nationally applicable definition of "homeless." In addition, adopting HUD's regulation would help ensure consistent reporting on homelessness across both agencies, as per a recommendation from the United States Interagency Council on Homelessness. It should also make the SSVF program clearer for grantees who often provide services under various HUD programs as well as SSVF. We do not expect that adopting a definition of "homeless" that is consistent with HUD's definition in 24 CFR 576.2 will impact the veteran families that grantees will be able to assist under the SSVF program. Grantees may provide services to veteran families who are either homeless or at risk of becoming homeless, provided that they meet specific income requirements discussed elsewhere in this proposed rulemaking.

62.2 and 62.34(f): Emergency housing assistance.

VA proposes to define "emergency housing" in § 62.2 as "temporary housing provided under § 62.34(f) that does not require the participant to sign a lease or occupancy agreement." This term would be associated with proposed § 62.34(f), which would add emergency housing assistance to the list of services that may be offered by grantees under the category of "other supportive services."

Under SSVF, grantees are authorized to provide supportive services to a very low-income veteran family that is homeless and scheduled to become a resident of

permanent housing within 90 days pending the location or development of housing suitable for permanent housing, or that has exited permanent housing within the previous 90 days to seek other housing that is responsive to the very low-income veteran family's needs and preferences. See 38 CFR 62.11(a)(2), (3). Proposed § 62.34(f) would authorize grantees to provide emergency housing to these individuals, subject to the restrictions set forth in paragraphs (f)(1) through (5) and discussed in more detail below. By authorizing the limited provision of emergency housing, grantees would be able to ensure that participants do not become homeless or homeless for any extensive period while they transition to permanent housing or otherwise be put at risk pending placement in permanent housing. Appropriate provision of emergency housing could include cases in which no space is available at a community shelter that would be appropriate for placement of a family unit, or where permanent housing has been identified and secured but the participant cannot immediately be placed in that housing. The current regulations do not authorize grantees to provide temporary assistance to a participant under these types of circumstances.

Proposed § 62.34(f)(1) through (5) would limit grantees' authority to provide emergency housing assistance to situations in which placement in emergency housing would be considered truly temporary. These time- and cost-based limitations would ensure the integrity of SSVF's mission to assist in the placement of veteran families in permanent housing. In cases where the participant would require placement in emergency housing more frequently or for a longer period of time, it would be more appropriate for the participant to obtain assistance from other VA, Federal, State or local programs. The time limitation for an emergency housing placement for a single veteran

is a maximum of 72 hours. This is because VA offers multiple short- and long-term community-based transitional housing alternatives, including the Grant and Per Diem Program and the Health Care for Homeless Veterans contract residential care program, as well as a variety of VA-based residential care programs. There are fewer comparable transitional housing alternatives available for a veteran and his or her spouse and/or dependents. As a result, we propose a longer, 30-day time limitation for placement of a veteran and his or her spouse with dependents in emergency housing. The grantee may also connect veteran families with appropriate non-VA resources within the community, such as housing programs offered by local governments or non-governmental organizations. We would also state that a participant may be placed in emergency housing only once during any 3-year period, beginning on the date that the grantee first pays for emergency housing on behalf of the participant. VA believes that this limit is reasonable because veteran households who need more consistent financial assistance would be better served by a program that offers longer term financial assistance, such as the HUD-VA Supportive Housing Program. Furthermore, to ensure that emergency housing is used in support of plans to place participants in permanent housing, emergency housing placement would only be allowed when permanent housing has been identified and secured, and will be available before the end of the period during which the participant is placed in emergency housing.

Further, proposed § 62.34(f)(5) would require the cost of emergency housing to be reasonable in relation to the cost charged for other available emergency housing, considering, the location, quality, size and type of the emergency housing. Emergency

housing can be costly, and this provision would require grantees to be mindful of the cost of such housing and ensure that cost is reasonable relative to comparable emergency housing alternatives. We would redesignate current § 62.34(f) as proposed § 62.34(g).

62.2, 62.33(h)(2)(i), 62.34(a)(1), 62.34(b)(1) and 62.35(a): Extremely low-income veteran family.

In § 62.2, we propose to add a definition of the term “extremely low-income veteran family.” The term would be defined as “a veteran family whose annual income, as determined in accordance with 24 CFR 5.609, does not exceed 30 percent of the median income for an area or community.” This definition would essentially establish a subgroup of very low-income veteran families who have greater need than other very low-income veteran families, whose income may be as high as 50 percent of the median income for an area or community (under the existing § 62.2 definition of the term “very low-income veteran family”). The authorizing statute, 38 U.S.C. 2044(f)(6), and the current regulation, 38 CFR 62.2, authorize VA to vary the income ceiling for an area or to vary the income requirement based on family size. Although providing a 30 percent across-the-board adjusted median income does not fit within these authorized variances, we believe that our proposed identification of extremely low-income veteran families is nevertheless within our statutory authority because extremely low-income veteran families would, by definition, also meet the requirement of very low-income veteran families, and therefore would be eligible participants under the statute. Establishing the proposed 30 percent median income subgroup would enable SSVF to

target veteran families with greater need, and provide to them slightly increased benefits. It would also remove any unintended disincentive to provide services to these veteran families that might arise under the current regulations, due to the fact that these families may require more intensive assistance and may not meet the grantee's performance measures as quickly as veteran families with slightly higher incomes. We believe that this is consistent with the authority granted by 38 U.S.C. 2044 and Congress' intent in establishing SSVF.

The first additional benefit offered to extremely low-income veteran families would appear in § 62.33(h)(2)(i), where we would add a sentence authorizing a longer period of coverage for child care services provided to extremely low-income veteran families, i.e., increasing to up to 9 months in a 12-month period and 12 months during a 3-year period. The second additional benefit offered to extremely low-income veteran families would appear in § 62.34(a)(1), where we would authorize grantees to provide a longer period of rental assistance. Where very low-income veteran families are eligible under the current rule for up to 5 months per year of rental assistance (which we are proposing to increase to 6 months), extremely low-income veteran families would be eligible for up to 9 months of rental assistance per year, and up to 12 months during any 3-year period. Finally, in § 62.34(b)(1) we would offer a grantee authority to provide additional utility payment support to extremely low-income veteran families for 9 months in any 12 month period and 12 months during a 3-year period.

We believe that veteran families subsisting on an income that is 30 percent of the median income in their area or community face particularly difficult economic circumstances and commensurate barriers to placement in or retention of permanent

housing, and therefore additional relief may be appropriate in accordance with these proposed revisions. SSVF is designed to provide families with temporary assistance and to facilitate self-sufficiency by working with the family to build a sustainable living situation. In doing so, VA must minimize the risk that veteran families become dependent on such assistance over the long term. The proposed maximums set forth above would provide needed short-term assistance without enabling long-term dependence on VA to cover essential family expenses. We note that HUD has established the 30 percent median income threshold as a determining factor to define “at risk of homelessness.” See 24 CFR 576.2. Therefore, we believe that the 30 percent median is an appropriate measure of increased risk of homelessness that would require additional, though not permanent assistance. In addition, VA received feedback from grantees through the administration of this program suggesting that veteran families at lower levels of income are more difficult to reach and require more resources in order for the interventions authorized under this program to succeed. Based on that feedback, we believe that the increased benefit amounts authorized under the proposed rule would help ensure that grantees can be successful in supporting extremely low-income veteran families.

We propose to revise § 62.35(a) to state that “[a] participant classified as an extremely low-income veteran family will retain that designation as long as the participant continues to meet the other eligibility requirements.” This clarification would enable eligible extremely low-income veteran families to receive the extended services associated with this designation for the entire time that they remain eligible for supportive services, which is important for the reasons discussed above. Due to the

increased challenges that families with extremely low incomes face, income fluctuations that do not exceed the maximum threshold are significantly less likely to eliminate the risk of homelessness without an extended period of assistance under this program. Therefore, we propose to make the maximum benefit available to extremely-low income families, notwithstanding increases in income up to the 50 percent median income threshold as discussed in the definition of “very low-income veteran family” in current § 62.2. As now, SSVF benefits would cease once a veteran family’s income exceeds the 50 percent median income threshold.

62.2 and 62.34(e): General housing stability assistance and emergency supplies.

VA proposes to remove the definition of “emergency supplies” in current § 62.2. The current rule defines this term as “items necessary for a participant's life or safety that are provided to the participant by a grantee on a temporary basis in order to address the participant's emergency situation.” The term is currently used in only one regulatory provision, paragraph (e) of § 62.34, which authorizes grantees to purchase emergency supplies. Instead, in proposed § 62.34(e), we would authorize grantees to provide “[g]eneral housing stability assistance.” This term would be defined in § 62.2 as the provision of goods or payment of expenses that are directly related to supporting a participant’s housing stability, and we would refer readers to the substantive authorization of this benefit in § 62.34(e).

Under current § 62.34, grantees are authorized to provide certain services that are necessary for maintaining independent living in permanent housing and housing stability. In this context, current § 62.34(e) authorizes the provision of emergency

supplies. Through our experience in administering SSVF, we believe that grantees should be authorized to provide a broader scope of services under this paragraph, which we would refer to as general housing stability assistance.

Proposed paragraph (e)(1) would continue to authorize grantees to provide the items that currently are defined as emergency supplies. This does not represent a substantive change in regulation or policy.

Proposed paragraph (e)(2) would authorize grantees to pay for certain types of expenses. In order to reduce the potential for misuse of funds and generally facilitate management of SSVF grants, we would require that payment be made directly to a third party and not to a participant. For similar reasons, and because payment of these types of expenses is not the primary goal of SSVF, we would limit these payments to \$1500 per participant for any 3 year period.

The three classes of expenses that would be authorized by proposed paragraph (e)(2)(i) through (iii) relate to a participant's ability to gain or keep employment or permanent housing. In our experience administering SSVF, costs related to basic employment (such as uniforms, tools, certifications, and licenses), basic housing needs (such as kitchen utensils, bedding, and other supplies), and securing permanent housing (such as fees for housing applications, housing inspections, or background checks) are often barriers to a participant's success in obtaining and keeping permanent housing.

62.2, 62.11(b), 62.35(a), and 62.36(a): Reclassification of categories of participants.

Under current § 62.36(a), grantees are required to initially classify a participant in one of the 3 categories under § 62.11, along with certifying their eligibility, and repeat this process at least once every 3 months. Although grantees would still be required to certify program eligibility for participants every 3 months, we propose to eliminate the requirement that grantees certify the classification of each participant under one of the categories set forth in § 62.11 at least once every 3 months. The initial classification is necessary in order to determine the veteran family's eligibility under the SSVF program and for the grantee to be able to appropriately track grant funds used on different categories of participants. Once a grantee determines the classification for the veteran family, the grantee develops a strategy with the veteran family that would provide the veteran family with the assistance they need during the appropriate time period to stabilize their housing situation. The participant's category becomes less relevant after the initial classification because grantees transition veteran families out of the program once their income exceeds the eligibility levels for the SSVF program or they enter a sustainable housing situation. Further, if at any time a veteran family's income decreases below the extremely-low income threshold while receiving SSVF assistance, the veteran family would be reclassified in order to receive the expanded levels of assistance under the program. Reclassification of participants every 3 months is burdensome for grantees and detracts from grantees' ability to develop a long-term plan to stabilize veteran families' housing situations. The reclassification system is also more difficult for VA, because it is more difficult to track the use of grant funds if grantees are continuously moving participants among the categories. As a result of these various issues, we propose to eliminate this requirement in § 62.36(a).

We propose to delete current § 62.11(b) to conform to the above-noted proposed change to § 62.36(a). Under the new proposed language, grantees would no longer be required to certify a participant's occupying permanent housing classification every 3 months. Therefore, current § 62.11(b) is unnecessary. Additionally, we propose to redesignate the remaining paragraphs, and update the relevant cross-references that appear in §§ 62.2, § 62.35, and § 62.36(a).

Similarly, we propose to revise current § 62.35(a) to conform to the above-noted proposed changes to § 62.36(a). Currently, § 62.35(a) explains that a veteran family is considered to be residing in permanent housing after the original 90 days as described in current § 62.11(a), provided the veteran family remains scheduled to move into permanent housing within a 90-day period. Under the proposed revision to § 62.11, as discussed above, grantees would no longer be required to certify a participant's occupying permanent housing classification every 3 months. Therefore, the exception provided under the current § 62.35(a) is no longer relevant. Accordingly, the cross reference in the note to § 62.11 would also be modified to eliminate the reference to a continuation of services.

62.11: Categories of participants.

We propose to amend the categories of participants eligible for SSVF as set forth in current § 62.11(a). These changes are intended to eliminate certain ambiguities that have been identified through the administration of the program and more clearly identify VA's goals of serving through SSVF those veteran families most in need of assistance to obtain or remain in permanent housing. We believe the changes to this section are

consistent with the authority granted by 38 U.S.C. 2044 and Congress' intent in establishing SSVF. Furthermore, these changes would be consistent with and would make permanent certain guidance provided in previous SSVF Notices of Fund Availability. Most importantly, the proposed amendments to § 62.11 would require grantees to prioritize the use of SSVF funds for those veteran families who are in the greatest need of immediate assistance, without excluding any veteran families who would currently be eligible for benefits under the SSVF program.

Current § 62.11(a)(1) identifies the first category of participants eligible for SSVF funding as those very low-income veteran families who are “residing in permanent housing”. We propose adding to this in proposed § 62.11(a) the clause “and at risk of becoming homeless, per conditions in paragraph (b)(1), but for the grantee’s assistance.” This provision would enable VA to utilize SSVF’s limited resources to assist those veteran families that are in permanent housing but would otherwise be homeless. We would require the grantee to apply this test to all veteran families to whom they would provide assistance under the SSVF grant. This “but for” standard is similar to the one used by HUD in its homelessness prevention programs, which allows for consistency between VA and HUD programs. We believe that aligning VA’s definitions and practices more closely with HUD takes advantage of HUD’s expertise and success in assisting low-income families, including veteran families, to find permanent housing. Additionally, as this standard has been included in each Notice of Fund Availability that SSVF has issued thus far, this would not result in a substantive change in the way SSVF operates. As we have done in the past, we plan to include risk factors for the “but for” requirement in the Notices of Fund Availability. The risk factors

provide some common factors that would indicate that a veteran family would be homeless but for the assistance, but would not comprise an exhaustive list. We understand that each veteran family is different, and geographic or other valid concerns exist that we would be unable to contemplate through the risk factors alone. We would allow grantees to consider additional circumstances when applying this “but for” test, and would require that those circumstances be explained.

The existing regulations at § 62.11(a)(2) refer to the second category of participants as “homeless and scheduled to become a resident of permanent housing within 90 days pending the location or development of housing suitable for permanent housing.” We propose amending the first part of this category to better describe what we mean by “homeless.”

When the SSVF legislation was passed by Congress in 2008, the definition of the term “homeless” set forth in section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) was narrower than it is today. Following the passage of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, which included an amendment to broaden the definition of the term “homeless” in 42 U.S.C. 11302, certain at risk populations now qualify under the definition of the term “homeless.” We do not think that this broader definition is consistent with the spirit of the SSVF program, which provides specific types of assistance designed to prevent immediate homelessness. Therefore, we propose limiting the second category of participants to those veteran families who are literally homeless, in order to avoid an eligible veteran family being qualified under multiple SSVF categories. (Note: those veteran families who are at risk of becoming literally homeless would fall only under the

first category.) We propose to adopt a portion of the language HUD uses in 24 CFR 576.2 to describe the population of literally homeless individuals – those “lacking a fixed, regular, and adequate nighttime residence.” This is further described in proposed § 62.11(b)(1)(i) through (iii).

Additionally, for the same reasons we propose to add the “but for” language to proposed § 62.11(a), we propose adding § 62.11(b)(2) to include those who are at risk of remaining homeless as described in proposed § 62.11(b)(1) but for the grantee’s assistance. We would not change the remaining criteria for eligibility under current § 62.11(a)(2) except to redesignate this section as proposed § 62.11(b)(3).

Similarly, we propose amending the third category of participants in proposed § 62.11(c) to reference the same criteria described in proposed § 62.11(b)(1). This change is intended to clarify an ambiguity that existed in certain circumstances where a participant could qualify under multiple categories. For example, a participant could have “exited permanent housing within the previous 90 days to seek other housing that is responsive to the very low-income veteran family’s needs and preferences” and be “residing in permanent housing,” thereby causing confusion as to whether that participant should be classified under the first or third categories. Therefore, with this change, VA seeks to provide clarity consistent with 38 U.S.C. 2044 and VA’s goals for SSVF. Additionally, we propose to update the relevant cross-references to current § 62.11(a)(3) that appear in current § 62.35(b).

62.20 and 62.22: Identifying appropriate veteran families.

We propose to amend § 62.20(a) to clarify the requirements for a complete supportive services grant application package by including in proposed paragraph (a)(2) the reporting requirement that applicants describe how they will ensure that participation is limited to very low-income veteran families for whom no appropriate housing options have been identified and who lack their own financial resources and/or support networks to obtain or remain in permanent housing. VA already requires that applicants provide this explanation in the existing application, but the current regulation is silent on this point. This revision would simply provide a more thorough description of the existing application requirements.

We recognize that 38 U.S.C. 2044 both defines very low-income veteran families and requires that we provide grants to eligible entities that would assist such families. However, due to the limited availability of SSVF funding, and based also on our authority to “establish criteria for the selection of eligible entities” under 38 U.S.C. 2044(c)(3), we believe that the proposed reporting requirement is a reasonable implementation of our statutory authority. In addition, it accords with our fiscal responsibility to minimize overlap when we provide benefits to veterans, to ensure the necessity and integrity of each veterans benefits program. Finally, we believe that this language would emphasize that SSVF is not an anti-poverty program, or a program of general assistance. As such, it is not intended to reach all veterans who are in need of financial assistance; rather, SSVF’s limited purpose and scope are to assist veteran families who are at risk of becoming homeless absent SSVF intervention and rapidly re-house those that have become homeless.

Under current § 62.22(b)(2)(i), VA will award up to 25 points for applications that among other things, contain a “feasible outreach and referral plan to identify and assist very low-income veteran families occupying permanent housing that may be eligible for supportive services and are most in need of supporting services.” We would add a reference to the proposed requirements in § 62.20(a)(2) in order to ensure that there would be scoring criteria to assess whether the grantee has met the proposed criteria in § 62.20(a).

62.31: Supportive service: case management services.

Current § 62.31 requires grantees to “provide case management services that include, at a minimum” the requirements set forth in paragraphs (a) through (e). We propose to add a requirement to the introductory sentence that grantee case management services “prioritize housing stability as the primary goal of SSVF services.” This requirement is consistent with the statutory authority and the manner in which we have always intended that SSVF programs operate. We would explicitly include it under case management services as it is the policy of VA to support a housing first model in the approach to addressing and ending homelessness. The housing first model establishes housing stability as the primary intervention in working with homeless persons. This means that grantees should ensure that case managers focus on housing before addressing issues such as participants’ sobriety or mental health.

We would also add a new requirement in proposed paragraph (f) that case management services “assist[] participants in locating, obtaining, and retaining suitable permanent housing.” Assistance in retaining permanent housing is one of the

fundamental goals of SSVF, and not requiring case management assistance in this regard was an oversight in our publication of current § 62.31. Case management assistance in locating or obtaining permanent housing is important for those participants who require rapid re-housing assistance (and therefore may be considered participants in an SSVF program under current § 62.11(a)(2) or (3)). The proposed rule would include as permissible activities under § 62.31(f) “identifying appropriate permanent housing and landlords willing to work with homeless veteran families; tenant counseling; mediation with landlords; and outreach to landlords.” These activities are all consistent with the requirement of assistance in locating, obtaining and retaining permanent housing.

62.33: Supportive service: Assistance in obtaining and coordinating other public benefits.

Current § 62.33(c) authorizes grantees to assist participants in obtaining certain financial planning services. We would amend paragraph (c) to authorize grantees to use “SSVF funds [to] pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving credit problems.” Such assistance has proved important to ensure that participants can maintain permanent housing in a significant number of cases administered through SSVF.

Current § 62.33(d)(3)(i) authorizes grantees to make payments on behalf of participants needing car repairs or maintenance in an amount of up to \$1,000 during a

3-year period. We propose to increase this amount by \$200 to reflect increased costs and changes in the overall financial environment since this rule was originally published.

Current § 62.33(g) authorizes grantees to provide, or assist participants in obtaining, legal services relevant to issues that interfere with the participant's ability to obtain or retain permanent housing or supportive services. Through the administration of this program, grantees have sometimes been unsure of the intended scope of this paragraph. We propose to amend paragraph (g) to clarify that it is intended to broadly encompass matters of employment and financial security, and that it includes the authority to pay for related court fees. We would add a caveat that "SSVF funds may not be used to pay for court-ordered judgments or fines." This prohibition against using SSVF funds to pay court-ordered judgments or fines would be consistent with proposed § 62.38, which would be cross-referenced in paragraph (g). The rationale for this restriction is discussed in greater detail below.

In § 62.33(h), VA proposes to revise the introductory sentence to further define age limits for supportive services for child care. We propose that the services should be available "for children under the age of 13, unless disabled. Disabled children must be under the age of 18." This would bring the availability of child care services through SSVF in conformity with similar regulations issued by HUD. See 24 CFR 576.102(a)(1)(ii).

Also related to grantees' authority to pay child care expenses, we would amend current paragraph (h)(2)(i), which limits child care payments to a period of up to 4 months in a 12-month period. We would increase this number to a maximum 6 months in a 12-month period, and add an additional restriction that grantees cannot pay for child

care in excess of 10 months during a 3-year period. These limitations are consistent with other 6-month limitations for temporary financial assistance offered through SSVF. Grantees have communicated to VA that implementing various time limitations for specific benefits is cumbersome, and requested that VA provide a single time period for such limitations.

62.34: Other supportive services.

In addition to authorizing greater rental and utility assistance for extremely low-income veteran families for the reasons discussed above, we propose to revise § 62.34 to extend grantee authority to provide greater rental assistance and utility assistance to all participants. For rental assistance, in proposed § 62.34(a)(1), we would revise the current restriction of 8 months during any 3-year period or 5 months during any 12-month period to 10 months during any 3-year period or 6 months during any 12-month period. For utility costs, we would revise § 62.34(b)(1) to revise the current restriction from 4 to 10 months during any 3-year period, and from 2 to 6 months during any 12-month period.

62.36: Habitability standards.

Proposed § 62.36(f) would require grantees using supportive services funds to provide rental assistance, payments of utilities fees, security deposits, or utilities deposits on behalf of a participant who is moving into a new (different) housing unit to confirm the unit meets the minimum conditions set forth in 24 CFR 583.300(b). By requiring grantees' use of these HUD habitability standards in certain circumstances,

VA is encouraging grantees to be mindful of the safety and quality of housing to which participants are moving. To minimize the burden that this requirement may place on grantees, these standards do not require the use of a certified inspector. Rather, the habitability standards inspection can be performed by grantee staff members. Timely inspections must occur in a manner consistent with the goals of rapid re-housing, that is, the process should be completed as quickly as possible so that a new barrier to housing placement is not created. Regardless, the inspection should occur no more than 3 working days after the housing unit has been identified. Alternatively, the grantee may rely on timely certified inspections that have already been completed by another governmental or community agency. We believe it is reasonable to consider an inspection timely if it was completed within the past 2 years. Criteria for these inspections have been added to § 62.34.

62.38: Ineligible activities.

VA proposes to add a new § 62.38 which would address activities and services that cannot be funded through SSVF funds. These restrictions are intended to maximize the use of SSVF funds and to avoid duplicating services provided by other public programs. VA estimates that SSVF is capable of providing direct assistance to roughly 67,000 of those veteran families who are eligible to be considered participants, so we must limit the use of SSVF resources to ensure that we provide assistance that is most directly related to preventing homelessness. We do not perceive these prohibited activities to be as good or better uses of SSVF resources than those allowed under the current regulations.

In paragraph (a), we propose to prohibit SSVF resources from being used to pay for mortgage and other costs associated with home ownership. Instances where homeowners become homeless are rare. The vast majority of homeowners tend to have more options available to them, even after a foreclosure. Therefore, we do not believe that such assistance would be the most efficient use of limited SSVF resources.

In paragraph (b), we would prevent SSVF funds to be used for construction or rehabilitation of buildings. The investment of resources into infrastructure is complex, and SSVF funds are limited in a manner that could not guarantee ongoing funding for such projects. Therefore, we do not believe that infrastructure investment as a means to prevent homelessness is viable under SSVF.

Under paragraph (c), we would clarify that SSVF grant funds cannot be used to directly pay for any “[h]ome care and home health aides typically used to provide care in support of daily living activities,” and under paragraph (e), we would clarify that SSVF funds cannot be used to pay for medical or dental care and medicines. Grantees may refer veterans and families for health care treatment or assistance with daily living services provided by other public entities, including VA where appropriate. However, grantees may not use SSVF funds to pay for such care or services as it would represent a duplication of available services. VA health care and mainstream entitlements (such as Medicare, Medicaid, and the Children’s Health Insurance Program) are currently available to support such needs.

Paragraphs (d) through (g) list uses of funds that are prohibited specifically because there is little connection to the prevention of homelessness. Generally, these items can be addressed through alternative means. For example, credit card and other

consumer debt may be discharged in other ways that do not result in the loss of housing. Therefore, it is not necessary to use SSVF for such purpose. SSVF funds should not be used to absolve responsibility for court-ordered judgments or fines, because the purpose of the program is not to ensure participant solvency. Additionally, § 62.34 requires that certain types of temporary financial assistance are permissible if paid directly to third parties, and providing direct cash assistance to participants may result in funds being used for unauthorized purposes.

Finally, SSVF is not designed to support entertainment or optional activities, and therefore, SSVF funds should not be used for pet care and entertainment, which would be barred uses under proposed paragraphs (h) and (i).

Comment Period

Although under the rulemaking guidelines in Executive Orders 12866 and 13563, VA ordinarily provides a 60-day comment period, the Secretary has determined that there is good cause to limit the public comment period on this proposed rule to 45 days. VA determined that in order to take advantage of increased funding for the SSVF program, certain limitations of program benefits should be expanded for those veteran families in the greatest need. Because SSVF supports VA's homelessness prevention efforts, VA's expedited ability to disburse funding to grantees under these revised regulations could potentially lead to a decrease in homelessness among very low-income veteran families. Therefore, the need to take action is particularly great for those veterans and their families who would benefit from the increased supportive services funded by SSVF under these revised regulations. Accordingly, the Secretary

has determined that it would be contrary to the public interest to provide for a longer comment period, and VA has provided that comments must be received within 30 days of publication in the Federal Register.

Effect of Rulemaking

The Code of Federal Regulations, as proposed to be revised by this proposed rulemaking, would represent the exclusive legal authority on this subject. No contrary rules or procedures would be authorized. All VA guidance would be read to conform with this proposed rulemaking if possible or, if not possible, such guidance would be superseded by this rulemaking.

Paperwork Reduction Act

Although this action contains provisions constituting collections of information, at 38 CFR 62.20, 62.36, and 62.60, under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521), no new or proposed revised collections of information are associated with this proposed rule. The information collection requirements for §§ 62.20, 62.36, and 62.60 are currently approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 2900-0757.

In proposed § 62.20(a), we would state that the collection of information must include a description of how the applicant will ensure that the program is targeted to very-low income families. Under the current OMB-approved application, VA Form 10-10072, VA requires the applicant to “[d]escribe the proposed outreach and referral plan to identify and assist eligible very low-income Veteran families who are most in need of

supportive services.” The current application specifies that the response should include an explanation of the “[i]dentification of target population(s) to be served.” Because this specific question on the application correlates directly with the requirement that we propose to add in § 62.20(a), the information collection and corresponding burden hours would remain unchanged.

In a final rule published on November 10, 2010, we stated that OMB had approved collections of information contained in, inter alia, § 62.36(c). 75 FR 68975, 68979-80, Nov. 10, 2010. In both the proposed and final regulation, a collection also appeared in § 62.36(a). That collection required grantees to classify all participants and verify and document participant eligibility at least once every 3 months. The verification of eligibility is reflected on VA Form 10-0508b, one of the forms approved by OMB and assigned OMB control number 2900-0757, which requires quarterly reports of detailed information and data on participant screenings and compliance with all SSVF requirements. However, the requirement to reclassify participants every 3 months was not contained on that form. In proposed § 62.36(a), we would remove the requirement that grantees reclassify participant eligibility every 3 months; however, we retain the requirement that the grantee certify participant eligibility. Therefore, although we are amending the collection that appears at § 62.36(a), the amendment will not result in a change to the form. Moreover, although we omitted specific reference to § 62.36(a) in the final rulemaking published on November 10, 2010, we did in fact seek approval for the collection requirements in VA Form 10-0508b, which appear in this proposed rule. Therefore, we do not believe that this rulemaking contains amendments to collections approved under OMB control number 2900-0757.

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This proposed rule would only impact those entities that choose to participate in SSVF. Small entity applicants would not be affected to a greater extent than large entity applicants. Small entities must elect to participate, and it is considered a benefit to those who choose to apply. To the extent this proposed rule would have any impact on small entities, it would not have an impact on a substantial number of small entities. In FY 2013, 151 organizations successfully submitted applications for SSVF funding and would be effected by this rule. The changes described in this rule should have a positive impact compared to the existing rule as changes would generally aid grantees in providing service and thereby reduce time demands. On this basis, the Secretary certifies that the adoption of this proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. Therefore, pursuant to 5 U.S.C. 605(b), this rulemaking is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Executive Order 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic,

environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a “significant regulatory action,” which requires review by OMB, unless OMB waives such review, as “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in this Executive Order.”

The economic, interagency, budgetary, legal, and policy implications of this regulatory action have been examined, and it has been determined not to be a significant regulatory action under Executive Order 12866. VA’s impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA’s Web site at <http://www1.va.gov/orpm/>, by following the link for “VA Regulations Published.”

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This proposed rule would have no such effect on State, local, and tribal governments, or on the private sector.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers and titles for the programs affected by this document are 64.009, Veterans Medical Care Benefits and 64.033, VA Supportive Services for Veteran Families Program.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Jose D. Riojas, Chief of Staff, Department of Veterans Affairs, approved this document on April 15, 2014, for publication.

List of Subjects in 38 CFR Part 62

Administrative practice and procedure, Day care, Disability benefits, Government contracts, Grant programs-health, Grant programs-social services, Grant programs-transportation, Grant programs-veterans, Grants-housing and community development, Health care, Homeless, Housing, Housing assistance payments, Indian-lands, Individuals with disabilities, Low and moderate income housing, Manpower training program, Medicare, Medicaid, Public assistance programs, Public housing, Relocation assistance, Rent subsidies, Reporting and recordkeeping requirements, Rural areas, Social security, Supplemental security income (SSI), Travel and transportation expenses, Unemployment compensation, Veterans.

Dated: April 30, 2014.

Robert C. McFetridge, Director,
Regulation Policy and Management,
Office of the General Counsel,
Department of Veterans Affairs.

For the reasons stated in the preamble, the Department of Veterans Affairs proposes to amend 38 CFR part 62 as follows:

PART 62 – SUPPORTIVE SERVICES FOR VETERAN FAMILIES PROGRAMS

1. The authority citation for part 62 continues to read as follows:

AUTHORITY: 38 U.S.C. 501, 2044, and as noted in specific sections.

2. Amend § 62.2 by:

- a. Removing the definition of “Emergency supplies”.
- b. Adding the definitions of “Emergency housing”, “Extremely low-income veteran family”, and “General housing stability assistance”, in alphabetical order.
- b. Revising the definition of “Homeless”.
- c. Revising the definition of “Occupying permanent housing”.

The additions and revisions read as follows:

§ 62.2 Definitions.

* * * * *

Emergency housing means temporary housing provided under § 62.34(f) that does not require the participant to sign a lease or occupancy agreement.

Extremely low-income veteran family means a veteran family whose annual income, as determined in accordance with 24 CFR 5.609, does not exceed 30 percent of the median income for an area or community.

General housing stability assistance means the provision of goods or payment of expenses that are directly related to supporting a participant's housing stability and are authorized under § 62.34(e).

* * * * *

Homeless has the meaning given that term in 24 CFR 576.2.

* * * * *

Occupying permanent housing means meeting any of the conditions set forth in § 62.11.

* * * * *

3. Revise § 62.11 to read as follows:

§ 62.11 Participants—occupying permanent housing.

A very low-income veteran family will be considered to be occupying permanent housing if the very low-income veteran family:

(a) Is residing in permanent housing and at risk of becoming homeless, per conditions in paragraph (b)(1) of this section, but for the grantee's assistance;

(b)(1) Is lacking a fixed, regular, and adequate nighttime residence, meaning:

(i) That the veteran family's primary nighttime residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned bus or train station, airport, or camping ground;

(ii) That the veteran family is living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate

shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or

(iii) That the veteran family is exiting an institution where the veteran family resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) Are at risk to remain in the situation described in paragraph (b)(1) of this section but for the grantee's assistance; and

(3) Scheduled to become a resident of permanent housing within 90 days pending the location or development of housing suitable for permanent housing; or

(c) Has met any of the conditions described in paragraph (b)(1) of this section after exiting permanent housing within the previous 90 days to seek other housing that is responsive to the very low-income veteran family's needs and preferences.

NOTE TO PARAGRAPH (c): For limitations on the provision of supportive services to participants classified under paragraph (c) of this section, see § 62.35.

(Authority: 38 U.S.C. 501, 2044)

4. Amend § 62.20 by:

a. Redesignating paragraphs (a)(2) through (a)(7) as paragraphs (a)(3) through (a)(8), respectively.

b. Adding a new paragraph (a)(2).

c. Adding a parenthetical at the end of the section.

The additions read as follows:

§ 62.20 Applications for supportive services grants.

(a) * * *

(2) A description of how the applicant will ensure that services are provided to very low-income veteran families for whom:

(i) No appropriate housing options have been identified for the veteran family;
and

(ii) The veteran family lacks the financial resources and/or support networks to obtain or remain in permanent housing;

* * * * *

(The Office of Management and Budget has approved the information collection provisions in this section under control number 2900-0757.)

5. Amend § 62.22 by revising paragraph (b)(2)(i) to read as follows:

§ 62.22 Scoring criteria for supporting services grant applicants.

* * * * *

(b) * * *

(2) * * *

(i) Applicant has a feasible outreach and referral plan to identify and assist very low-income veteran families occupying permanent housing that may be eligible for supportive services and are most in need of supportive services. The plan ensures that the applicant's program will assist very low-income families who also meet the requirements of § 62.20(a)(2).

* * * * *

6. Amend § 62.31 by:

a. Revising the introductory text.

b. In paragraph (d), removing the word “and”

c. In paragraph (e), removing the period at the end of the paragraph and adding, in its place “; and”.

d. Adding paragraph (f).

The revision and addition read as follows:

§ 62.31 Supportive service: Case management services.

Grantees must provide case management services that prioritize housing stability as the primary goal of SSVF services and include, at a minimum:

* * * * *

(f) Assisting participants in locating, obtaining, and retaining suitable permanent housing. Such activities may include: identifying appropriate permanent housing and landlords willing to work with homeless veteran families; tenant counseling; mediation with landlords; and outreach to landlords.

7. Amend § 62.33 by:

a. Revising paragraph (c).

b. In paragraph (d)(3)(i), removing “\$1,000” and adding, in its place, “\$1,200”.

c. Revising paragraph (g).

d. Revising paragraph (h) introductory text.

e. Revising paragraph (h)(2)(i).

The revisions read as follows:

§ 62.33 Supportive service: Assistance in obtaining and coordinating other public benefits.

* * * * *

(c) Personal financial planning services, which include, at a minimum, providing recommendations regarding day-to-day finances and achieving long-term budgeting and financial goals. SSVF funds may pay for credit counseling and other services necessary to assist participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving credit problems.

* * * * *

(g) Legal services, including court filing fees, to assist a participant with issues that interfere with the participant's ability to obtain or retain permanent housing or supportive services, including issues that affect the participant's employability and financial security. However, SSVF funds may not be used to pay for court-ordered judgments or fines, pursuant to § 62.38.

(h) Child care for children under the age of 13, unless disabled. Disabled children must be under the age of 18. Child care includes the:

* * * * *

(2) * * *

(i) Payments for child care services must be paid by the grantee directly to an eligible child care provider and cannot exceed a maximum of 6 months in a 12-month period, and 10 months during a 3-year period, such period beginning on the date that the grantee first pays for child care services on behalf of the participant. For extremely

low-income veteran families, payments for child care services on behalf of that participant cannot exceed 9 months in a 12-month period and 12 months during a 3-year period, such period beginning on the date that the grantee first pays for child care services on behalf of the participant.

* * * * *

8. Amend § 62.34 by:

- a. Revising paragraph (a)(1).
- b. Revising paragraph (b)(1).
- c. Revising paragraph (e).
- d. Redesignating paragraph (f) as paragraph (g).
- e. Adding a new paragraph (f).

The revisions and addition read as follows:

§ 62.34 Other supportive services.

* * * * *

(a) * * *

(1) A participant may receive rental assistance for a maximum of 10 months during a 3-year period (consecutive or nonconsecutive), such period beginning on the date that the grantee first pays rent on behalf of the participant; however, a participant cannot receive rental assistance for more than 6 months in any 12-month period beginning on the date that the grantee first pays rent on behalf of the participant. For extremely low-income veteran families, payments for rent cannot exceed 9 months in any 12-month period and 12 months during a 3-year period, such period beginning on

the date that the grantee first pays rent on behalf of the participant. The rental assistance may be for rental payments that are currently due or are in arrears, and for the payment of penalties or fees incurred by a participant and required to be paid by the participant under an existing lease or court order. In all instances, rental assistance may only be provided if the payment of such rental assistance will directly allow the participant to remain in permanent housing or obtain permanent housing.

* * * * *

(b) * * *

(1) A participant may receive payments for utilities for a maximum of 10 months during a 3-year period, such period beginning on the date that the grantee first pays utility fees on behalf of the participant; provided, however, that a participant cannot receive payments for utilities for more than 6 months in any 12-month period beginning on the date that the grantee first pays a utility payment on behalf of the participant. For extremely low-income veteran families, payments for utilities cannot exceed 9 months in any 12-month period and 12 months during a 3-year period, such periods beginning on the date that the grantee first pays a utility payment on behalf of the participant. The payment for utilities may be for utility payments that are currently due or are in arrears, provided that the payment of such utilities will allow the participant to remain in permanent housing or obtain permanent housing.

* * * * *

(e) General housing stability assistance. (1) A grantee may provide to a participant items necessary for a participant's life or safety on a temporary basis, in order to address a participant's emergency situation.

(2) A grantee may pay directly to a third party (and not to a participant), in an amount not to exceed \$1500 per participant during any 3-year period, beginning on the date that the grantee first submits a payment to a third party, the following types of expenses:

(i) Expenses associated with gaining or keeping employment, such as obtaining uniforms, tools, certifications, and licenses.

(ii) Expenses associated with moving into permanent housing, such as obtaining basic kitchen utensils, bedding, and other supplies.

(iii) Expenses necessary for securing appropriate permanent housing, such as fees for housing applications, housing inspections, or background checks.

(f) Emergency housing assistance. If permanent housing, appropriate shelter beds and transitional housing are not available and subsequent rental housing has been identified but is not immediately available for move-in by the participant, then a grantee may place a participant in emergency housing, subject to the following limitations:

(1) Placement for a single veteran may not exceed 72 hours.

(2) Placement for a veteran and his or her spouse with dependent(s) may not exceed 30 days.

(3) A participant may be placed in emergency housing only once during any 3-year period, beginning on the date that the grantee first pays for emergency housing on behalf of the participant.

(4) Permanent housing will be available before the end of the period during which the participant is placed in emergency housing.

(5) The cost of the emergency housing must be reasonable in relation to the costs charged for other available emergency housing considering the location, quality, size, and type of the emergency housing.

* * * * *

9. Amend § 62.35 by:

a. Revising paragraph (a).

b. In paragraph (b), remove “§ 62.11(a)(3)” and add, in its place, “§ 62.11(c)” in all places it occurs.

The revision reads as follows:

§ 62.35 Limitations on and continuations of the provision of supportive services to certain participants.

(a) Extremely low-income veteran families. A participant classified as an extremely low-income veteran family will retain that designation as long as the participant continues to meet all other eligibility requirements.

* * * * *

10. Amend § 62.36 by:

a. Revising paragraph (a).

b. Adding a new paragraph (f).

c. Adding a parenthetical at the end of the section.

The revision and additions read as follows:

§ 62.36 General operation requirements.

(a) Eligibility documentation. Prior to providing supportive services, grantees must verify and document each participant's eligibility for supportive services and classify the participant under one of the categories set forth in § 62.11. Grantees must recertify the participant's eligibility as a very low-income veteran family at least once every 3 months.

* * * * *

(f) Habitability standards. (1) Grantees using supportive services grant funds to provide rental assistance, payments of utilities fees, security deposits, or utilities deposits, as set forth under § 62.34, on behalf of a participant moving into a new (different) housing unit will be required to conduct initial and any appropriate follow-up inspections of the housing unit into which the participant will be moving. Such inspections shall ensure that the housing unit meets the conditions set forth in 24 CFR 583.300(b) and do not require the use of a certified inspector. Inspections should occur no later than three (3) working days after the housing unit has been identified to the SSVF grantee, unless the Alternative Inspection Method is used to meet the requirements of this paragraph.

(2) Alternative Inspection Method. An inspection of a property will be valid for purposes of this paragraph if:

(i) The inspection was conducted pursuant to the requirements of a Federal, State, or local housing program (including, but not limited to, the Home investment partnership program under title II of the Cranston-Gonzalez National Affordable Housing Act or the low-income housing tax credit program under section 42 of the Internal Revenue Code of 1986);

(ii) If the inspection was not conducted pursuant to the requirements of a Federal housing program, the public housing agency has certified to the Secretary that such standard or requirement provides the same (or greater) protection to occupants of inspected dwelling units;

(iii) Pursuant to the inspection, the property was determined to meet the requirements regarding housing quality or safety applicable to properties assisted under such program; and

(iv) The inspection was conducted within the past 2 years.

(The Office of Management and Budget has approved the information collection provisions in this section under control number 2900-0757.)

11. Add § 62.38 to read as follows:

§ 62.38 Ineligible activities.

Notwithstanding any other section in this part, grantees are not authorized to use supportive services grant funds to pay for the following:

(a) Mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing.

(b) Construction or rehabilitation of buildings.

(c) Home care and home health aides typically used to provide care in support of daily living activities. This includes care that is focused on treatment for an injury or illness, rehabilitation, or other assistance generally required to assist those with handicaps or other physical limitations.

(d) Credit card bills or other consumer debt.

- (e) Medical or dental care and medicines.
- (f) Direct cash assistance to participants.
- (g) Court-ordered judgments or fines.
- (h) Pet care.
- (i) Entertainment activities.

(Authority: 38 U.S.C. 501, 2044)

12. Amend § 62.60 by adding a parenthetical at the end of the section to read as follows:

§ 62.60 Program or budget changes and corrective action plans.

* * * * *

(The Office of Management and Budget has approved the information collection provisions in this section under control number 2900-0757.)

[FR Doc. 2014-10251 Filed 05/08/2014 at 8:45 am; Publication Date: 05/09/2014]